



FEDERAL ELECTION COMMISSION

WASHINGTON, D C 20463

JAN 18 2005

E. Mark Braden, Esq.
Baker & Hostetler, LLP
Washington Square, Suite 1100
1050 Connecticut Ave., NW
Washington, D.C. 20036-5304

RE: MUR 5453
BankNorth/Arthur A. Watson & Company, Inc.

Dear Mr. Braden:

On January 7, 2005, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of violations of 2 U.S.C. §§ 441b(a) and 441f, provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Christine C. Gallagher
Christine C. Gallagher
Attorney

Enclosure
Conciliation Agreement

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

Arthur A. Watson & Co., Inc.

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MUR 5453

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

2004 DEC -3 P 3:06

CONCILIATION AGREEMENT

This matter was initiated by a *sua sponte* submission from Arthur A. Watson & Company, Inc. ("Respondent"). Based upon the facts voluntarily disclosed by Respondent and other available information, the Commission found reason to believe Respondent knowingly and willfully violated 2 U.S.C. §§ 441b(a) and 441f.

NOW, THEREFORE, the Commission and Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:¹

¹ All or the facts recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub L 107 115, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("the Act"), herein are to the Act as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA. All statements of the law in this agreement that are written in the present tense shall be construed to be in either the present or the past tense, as necessary, depending on whether the statement would be modified by the impact of BCRA or the regulations thereunder.

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1. Arthur A. Watson & Co., Inc. is a corporation organized by authority of the State of Connecticut.
2. At all times relevant to this matter Michael Watts was Senior Vice President of Arthur A. Watson & Co., Inc. He reported directly to the President of the company.
3. The Giordano for U.S. Senate Committee ("Committee") is a political committee within the meaning of 2 U.S.C. § 431(4), and was Philip Giordano's authorized committee for his 2000 Senatorial race in Connecticut.
4. Corporations are prohibited from making contributions or expenditures from their general treasury funds in connection with any election of any candidate for federal office, *See* 2 U.S.C. § 441b(a). It is unlawful for any candidate, political committee, or other person knowingly to accept or receive a prohibited corporate contribution. *See Id.*
5. 2 U.S.C. § 441f prohibits: (1) making a contribution in the name of another; (2) knowingly permitting one name to be used to effect such a contribution; and (3) knowingly accepting such a contribution. In addition, no person may knowingly help or assist any person in making a contribution in the name of another. *See* 2 U.S.C. § 441f; *see also* 11 C.F.R. § 110.4(b)(1)(iii),
6. The Act addresses violations of law that are knowing and willful. *See* 2 U.S.C. §§ 437g(a)(5)(B) and 437g(d). The phrase "knowing and willful" indicates that "actions [were] taken with full knowledge of all of the facts and a recognition that the action is prohibited by law." 122 Cong. Rec. H3778 (daily ed. May 3, 1976).
7. In April of 2000, Mr. Watts approached his then employer, Arthur A. Watson & Co., Inc., and three of his fellow employees about making contributions to the Committee, and suggested a reimbursement scheme.

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8. A higher-ranking officer at Arthur A. Watson & Co., Inc. approved the reimbursement scheme whereby corporate funds were used to reimburse employees for contributions made by them and their spouses to the Committee in the total amount of \$8,000.

9. From on or about April 18, 2000 through on or about April 28, 2000, with the consent and assistance of Mr. Watts, and with Arthur A. Watson & Co., Inc.'s approval, it knowingly and willfully used corporate funds to reimburse contributions made to the Committee by four employees and their spouses in the total amount of \$8,000.

V. Respondent knowingly and willingly violated 2 U.S.C. §§ 441b(a) and 441f by making prohibited corporate contributions and by making contributions in the name of another.

VI. 1. Respondent will pay a civil penalty to the Federal Election Commission in the amount of sixteen thousand dollars (\$16,000), pursuant to 2 U.S.C. § 437g(a)(5)(B).

2. Respondent will cease and desist from violating 2 U.S.C. §§ 441b(a) and 441f

3. Respondent will institute and maintain written policies and procedures regarding political activities to its employees to prevent corporate contribution violations in the future, and Respondent agrees to designate a compliance officer to enforce those policies.

4. Respondent will waive its right to a refund of all political contributions referenced in this agreement that have not been previously refunded or disgorged to the U.S. Treasury.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof

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has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

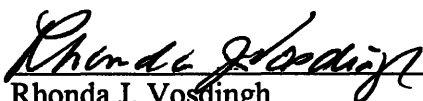
VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

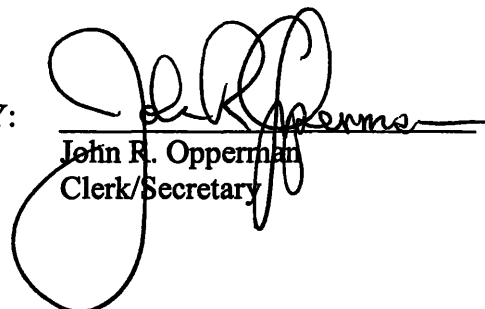
FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY: 
Rhonda J. Vosdingh
Associate General Counsel
for Enforcement

1/14/05
Date

FOR THE RESPONDENT:

BY: 
John R. Opperman
Clerk/Secretary

12/1/04
Date

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